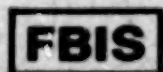


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27 November 1979

Latin America Report

No. 2075



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ARGENTINA

BRIEFS

MASSERA ON ECONOMY, RIGHTS--Buenos Aires. 15 (NA)--Admiral Emilio Massera (Ret) has stated that "Argentina is not experiencing an economic crisis" but rather "a crisis in the conduct of economic policies." He asserted that "the postulates of 24 March proposed an economy based on production and justice," but that "unfortunately, this was not the end result." Massera, a former member of the military junta, made this statement to "Radiolandia 2000." He noted that no statesman, no government leader, no intellectual can disregard the pope's appeal." He added that when "Pope John Paul II speaks about human rights he is referring to men living in the East and in the West." According to the former navy commander, "The church is the institution which holds the most authentic position regarding human rights." He added that this will be one of the most (?discussed) subjects in the next decade. Massera added that the church "goes beyond any present political situation." It will have [words indistinct] a more significant (?role) moving nations away from both classic capitalism and Marxism." As for his position, he noted: "I am trying in some way to form an opinion movement, but not a political opinion movement." He added that he does not have any aspirations and that "Argentina has not been divided because of ideological problems but by problems brought on by political leaders that are still there." [Text] [PY151549 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1144 GMT 15 Nov 79 PY]

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NETTO INTERVIEWED: INFLATION WILL EASE BY APRIL 1980

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 Oct 79 p 25

[Interview with Planning Minister Delfim Netto by Antonio Carlos de Godoy: "Inflation Will Begin to Moderate in April 1980"; date and place not given]

[Text] Planning Minister Delfim Netto thinks it is reasonable to expect a reduction in the rate of inflation beginning in April or May 1980 and that the high inflation rate of September (nearly 8 percent) merely reflects a massive increase in petroleum prices and effects of new wage increases. In an exclusive interview granted O ESTADO DE SAO PAULO, Delfim said it is essential to increase exports by at least \$5 billion next year so as to reduce the rate of expansion of foreign debt compared to growth of foreign sales.

The government is committed to achieving a trade surplus at a higher level; that is, by increasing both exports and imports because, says Delfim, "that is the way to activate the economy." The important thing is to obtain a surplus in the trade balance and not just restrict imports.

There is no need to renegotiate terms of the foreign debt, Delfim insists, because it is completely under control. The higher interest rate reflects inflation in industrialized countries and is being offset by higher prices for Brazilian exports. Domestically, the government is pleased with the reduction of interest rates and, according to the planning minister, "the bank that is borrowing money at 11 percent interest annually plus monetary correction is going broke. Anyone putting his money in such a bank is crazy."

There Will Be No Emergency Measures

ESTADO [DE SAO PAULO]: Businessmen, bankers and even the average citizen now feel that inflation has reached a critical, difficult and dangerous

point. Most of the population experiences this severity in daily life. As the government is responsible for administering the economy, does it intend to take any emergency measures against inflation other than policies already announced--encouragement to agriculture, the new wage policy and price control?

Dellim: No emergency measures. I think we have a really coherent program to combat the causes of inflation. We will still have, let us say in November, a somewhat greater pressure because we are going to raise a significant portion of wages and then put everything into phase. From then on I think the rate of price increase will begin to decline. I believe the causes for price increases are well-defined. We are attacking the deficit vigorously and I really believe that within a short time--5 or 6 months--we will reduce the deficit to a perfectly manageable level. Not just the federal debt; we are going to induce state governors to reduce their deficits financed in inappropriate ways and get the municipalities to reduce their deficits also, since the deficit is all-inclusive; it is the deficit of the whole state, from the municipality to the federal government. There is cooperation, a manifest intention on everyone's part to cooperate; I think this problem will be overcome. Moreover, it also seems evident to me that, if things continue as they are, we will have a satisfactory farm crop, which will help us a lot. There is not the slightest possibility of supposing that there is some device for reducing inflation without attacking its causes. We have desires that cannot be fulfilled; that is, we want to end inflation simply by thinking and saying that "inflation must be ended" and inflation will end. Inflation will not end either because some people want it to or even because everyone wants it to very strongly. We really have to work in the direction of reducing inflation. It seems to me that this awareness that has developed in Brazil today that inflation has really reached an unacceptable level, a level that causes inefficiencies in the economy, a level that does harm to all sectors, where nobody benefits much and everyone feels he has something to lose--this is an important step to make society aware we must confront this problem and it is really a big help in this process. There is no way to correct inflation except through its causes--which is what the government is doing. Clearly, the government could have been much more congenial, in the short run, by attacking only the effects, but nothing whatever would have happened. When the year 1979 ended, everything would be starting all over again, and this is not what the government wants. The government is really going to the sources of inflation, trying to control them--the four sources to which I have been referring: the deficit, which is being corrected; the supply of foodstuffs, which is being corrected; the increases in foreign prices for petroleum and for other imports are also being confronted by replacing petroleum--this is a case in which you cannot do much and it is really an imported inflation; and, finally, the wage problem, and I think that, with passage of the bill now in Congress by the end of this month we will have established a wage policy. So we will really have attacked the four basic causes and it seems to me that from then on prices will begin to rise more slowly and we may even see a return to reasonable levels.

ESTADO: There is talk about a new currency issue of more than 10 percent of the net money supply. Do you confirm this?

Delfim: No. The money supply seems to have increased at about the same rate as prices. Of course, we are putting a more restrictive monetary policy into practice. We are studying the mechanism of transforming short-term debt into long-term debt. The policy involves everything, including mainly an increase in corporation taxes.

ESTADO: What will be the income tax on business firms?

Delfim: It is not just a matter of increasing corporation taxes, but also of correcting some possibilities of escaping payment of income taxes.

ESTADO: Since passage of the new SA [Corporation] Law, it seems there has been a reduction in the amount of taxes paid, has there not?

Delfim: The corporation income tax was reduced 17 percent, in real terms.

ESTADO: Is this really linked to the SA Law?

Delfim: Certainly. But I think the law in itself is very good; some things must be corrected. Let us say that this reduction of 17 percent must be corrected.

ESTADO: And is the aliquot really increasing from 30 percent to 40 percent?

Delfim: Why, yes, at the margin, above 30 million, but the question is not yet completely settled. In any event, this is the idea: this fiscal policy will try to increase revenues and, from the viewpoint of monetary policy, we are going to reduce the short-term debt and keep control of money-supply expansion. These are really the classical measures to combat inflation, since we certainly want to combat inflation without causing a recession. What no one bothers to think about is what alternative do we have to end inflation? You have an alternative that is, let us say, the classical alternative of a country having full employment, which is to tightly control the money supply and have a fiscal policy suitable to this. And not do as we have done: a tight money policy and a lax fiscal policy. By making both of them tight and having a recession, sooner or later prices really stop rising. But the social cost of this process is enormous. Although we say that inflation is dangerous, inflation is a phenomenon that really upsets the economy, that discourages people, that creates much inefficiency and even creates political problems, distressing everyone, recession is much worse than this, because recession makes adjustment impossible: I am out in the street without anything to eat, out of a job. So there is no other alternative. We are caught up in a process in which we have to choose the solution that has the least social cost and I think this is what the government has done.

ESTADO: Do you think that these measures will produce the effect of reducing the rate of inflation by April or May 1980?

Delfim: I hope that by that time, with the food supply and if everything goes well, we will certainly be reducing the rate of inflation.

ESTADO: After the second quarter of 1980, then?

Delfim: I think this is a reasonable estimate. We also must understand what this rate of inflation represents; if you look at the September rate, you will see that it is really the massive correction of the petroleum price--3 and 1/2 or 4 percent of that increase is petroleum--and a little more is really the previous wage increases; just look at the position of the index.

ESTADO: What would be the significance of removing petroleum prices from the monetary correction?

Delfim: It means removing the petroleum problem from the index. You usually have a number of double countings. If you look at the cost-of-living index and the wholesale-price index, you see the two are parting company. The cost-of-living index is uncontrolled and you have the controlled petroleum price in the wholesale-price index. Why do you really have to remove the petroleum price increases? Because there is a double counting in the index. It is not advisable to reinforce inflation with this double counting. More than that: clearly, if you are readjusting prices, you must adjust relative prices--some things must go up more than others. Then what do you prefer? You really prefer, in the case of monetary correction, to correct capital a little less than other incomes are being corrected.

Subsidies to Industry Will Soon End

ESTADO: How does the government intend to eliminate subsidized credit?

Delfim: I think in the industrial sector you can eliminate it promptly; in the agricultural sector you have to go a little more carefully to bring about this capitalization. Let us say that if we get the crop we are expecting, at the end of the next harvest you can feel free to reduce it by a third. What we need is two or three good crop years to again capitalize agriculture. When that happens we will have eliminated the whole subsidy.

ESTADO: The international bankers are not worried about the fact that Brazil owes \$50 billion, but they view our balance of payments with concern. Are we going to be able to solve this restriction that can practically prevent entry of new investment funds into the country?

Delfim: This is what I think: the balance-of-payments problem is a critical problem. That is why we consider increasing exports by \$5 billion not as a projection, but as a goal. This is really a problem we must solve and we must solve it next year, by all means. This problem is much more serious

than inflation. Inflation, basically, is a mechanism for transferring resources from one person to another and, if you continue to solve matters reasonably well, inflation will eventually go down and employment will not. But the balance of payments problem really must have a solution; we really must solve it. Next year I hope we will be able to reverse the signs again, with an increase in exports and a reduction in imports of agricultural products.

ESTADO: Will there be bigger incentives for entry of risk capital?

Delfim: No, I do not believe there is need for greater encouragement of risk capital, which is entering normally. There are many opportunities and many more should emerge which will certainly bring in more risk capital.

ESTADO: Considering the pressure on the balance of payments, do you think Brazil will have to renegotiate the maturities of its foreign debt?

Delfim: No. We are borrowing money today with payment periods of 12 years and 6 years of grace. My Lord in Heaven! The debt is very neatly arranged; there is no such problem, nor should this problem worry anyone. This problem worries people who know nothing about the international market. No banker is the least bit worried about this.

ESTADO: But there are quite a number of short-term maturities, are there not?

Delfim: No, not a great number. If the debt is distributed, as it has been, with an average maturity of 6 to 7 years, you have larger maturities in the early years. You are renegotiating the whole thing easily and distributing it better; the profile of the debt is improving and not worsening, because you are replacing the debt that is maturing with a debt that has an average maturity of 8 or 9 years.

ESTADO: This, then, is the so-called informal renegotiation?

Delfim: It is not informal renegotiation; there is no renegotiation. I am getting loans today with maturities of 10 to 12 years and 4 to 5 years of grace. Five-year loans are now maturing. There is no renegotiation. There is no connection whatever between what is maturing and what you are borrowing now. The international market is much more liquid than it was 5 years ago.

ESTADO: But the interest rate is higher.

Delfim: The interest rate is higher precisely because of this.

ESTADO: Isn't there a contradiction?

Delfim: No. Why did the interest rate go up? The interest rate in the international market went up precisely because the inflation rate in the international market is going up. What brought on this rise in the interest

rate? This, by the way, is an interesting question, that shows how Brazil is completely incapable of thinking in terms of assets and liabilities--it can only think in terms of liabilities. I really have the impression that Brazil's dream was to make monetary correction of liabilities and not of assets. That is the dream of every Brazilian; that is what lurks in his mind. So this fellow says: "The interest rate went up; now Brazil is ruined." As a matter of fact, the interest rate did go up; now, why did it go up? It went up because international prices went up. If international prices went up, what happened to exports? The prices of exports went up; the prices of Brazilian exports went up 20 percent this year. So, when you make an accounting of assets and liabilities, of course the interest rate represents something unpleasant; but this fellow is already picking up the debt and multiplying. Now, here we have another problem. Brazil is full of mathematicians. This fellow immediately multiplies the increased interest rate by the total debt and then projects I don't know how many millions of dollars: "Ah, everything is lost; that \$500 million was all we needed to ruin the country," and ignores the other facts. It would, of course, be ridiculous to say that the situation is good, it is satisfactory and without problems. But it seems to me that a great effort is needed to give the proper weight to each piece of information. This matter of the interest rate that you have raised strikes me as very interesting.

ESTADO: For some time, Mr Minister, the possibility of the government altering Resolution 432 has been mentioned. Is there anything definite about this?

Delfim: Resolution 432 represents--or represented--the possibility of transferring monetary policy to the hands of the private sector. Clearly, any self-respecting government must retain control of monetary policy. For the time being, nothing is being done about Resolution 432. Why? Because it has no drawing power; it has nothing; it is not causing any trouble. If it is doing anything, it is helping; it is reducing the money supply. Should Resolution 432 ever begin to produce results considered undesirable, the government will decide what to do.

ESTADO: Is the government pleased with the results of the Monetary Council resolution that ordered interest rates charged by banks to be reduced 10 percent?

Delfim: It appears to have produced a reduction in interest rates, obviously in CDBs [bank certificates of deposit?]. It also produced some other things: there are a great number of people making loans at interest rates of 10 to 12 percent plus monetary correction. One thing is certain: whoever is borrowing--let us take note of what I am saying--the bank that is borrowing money at 11 percent plus monetary correction will go under. The person who is putting money in such a bank is crazy, because when the rate of inflation goes down it will not be able to honor the commitment and he will not be able to get it rediscounted. So this must be said clearly. My feeling is this: everyone is running a risk. This fellow must be aware that a higher rate of interest represents a greater risk, that no banker is fool

enough to pay a higher rate of interest unless he is desperately in need of money; if anyone is paying much more it is because he is already going broke; he is on the skids and is looking for a sucker to whom to offer short-term advantages that will become serious long-term disadvantages. This fellow must think it through and we must all be aware that interest income is one element, liquidity is another element and safety is another.

He who wants high income will have little liquidity and safety; he who wants safety will have less income.

ESTADO: It appears that some foreign banks are running this risk.

Delfim: I think that, if they want to take this risk, they can, because their home offices will provide the dollars when the time comes for them to pay.

ESTADO: Can Brazil maintain a relatively high growth rate?

Delfim: I believe Brazil has every possibility of maintaining a relatively high growth rate as long as we are able to utilize the idle capacity we have. This is an important problem: people don't understand exactly what this means. But, to give two examples: Friday I was in Matao. I went to see the sale of a herd of Nelore cattle 24 months old and weighing 16 arrobas [about 528 pounds] each. Now, the average fattening time in Brazil is 48 months. This clearly shows that, although you may not be able to double--which perhaps would be an extreme case--you can increase the yield of the herd by 30 to 40 percent without any additional problem. You just have to improve management practices a bit. I have also seen the experiments on rotating one-third of the sugarcane crop every year by planting soybeans, considerably improving the yield from the cane and the soybeans by fixation of nitrogen. What does this show? It shows that there is an enormous capacity to employ resources in the agricultural sector; the same thing is true of the industrial sector.

ESTADO: One can even think about increasing productivity.

Delfim: Today we have idle capacity, as normally measured, of 40 percent in the capital goods sector and of 20 or 25 percent in the consumer goods sector; this is without operating two shifts. So what Brazil must understand is that the resources are there. It must create demand, it must facilitate exports, it must aid the domestic market, and I think we can do that. Now, what is critical for this? It is the increase of exports; this is the limiting factor. If exports do not increase quickly enough, growth will really be difficult.

ESTADO: Is fighting inflation compatible with the government's other goals?

Delfim: There seems to be serious doubt about the compatibility of the policy. We have three objectives: to fight inflation, to close the balance-of-payments gap and to eventually solve the energy problem. It is possible

for these three objectives to be compatible only because there is considerable idle capacity, in agriculture as well as in industry. I get the feeling that this expression "idle capacity" is a little difficult to understand, that people do not know exactly what it is. But it is obvious that, if we look at agriculture, we have the possibility there of mobilizing certain technologies in the short run that can increase production enormously. The same is the case with industry, where there is an immense idle capacity in the capital goods sector and in the consumer goods industry. Some people have said: "But how can there be investment; how can investment be made? Will this not increase demand?" Not only is it necessary to increase demand; increasing demand is one of the objectives. What will happen if demand is raised? It will put the capital goods industry to work. Raising or lowering costs? Lowering costs. Thus, what appears to be a contradiction is really not. Why? Because you have slack everywhere. Even in the consumer goods industry you say: "But the idle capacity is 20 percent. You can't do much with that." We are forgetting that we used to work two shifts quite regularly. So you really have the capital available, you have the labor available; you only need demand.

Government Will Make Room for the Private Sector

Certainly, you cannot exaggerate in this process; there is a limit above which the possible bottlenecks may cause inflation. The government is being alert to detect such bottlenecks. I think there is really perfect compatibility among these things without the possibility of any doubt, but this can be proven only by doing it; there is no other way. Brazil has done it before and I think it will do it again.

Another doubt that exists is this: If the government is going to reduce its expenditures, how is the economy going to grow? Now, My Lord in Heaven! But this is the essence of the process. The government will reduce its expenditures in order to make room for expansion of the private sector; what is contradictory is expansion of both at the same time. You will, in fact, provide some maneuvering room for the private sector, with lower costs.

There is also some serious doubt as to whether or not this cycle of petroleum technology has terminated. When we state that the cycle of petroleum technology has ended we are referring, obviously, to creation of new technology. This is an absolutely obvious fact. Any technology that utilizes petroleum and its derivatives is no longer being developed today; all technology that is being developed seeks to replace fossil fuel. In that sense, I think the statement is perfect. A cycle of technology built upon petroleum has really ended; a new technology is being born. This, of course, does not mean the end of petroleum consumption, which would be foolish. When coal was replaced by petroleum in the middle of the last century the consumption of coal did not cease. What happened was that petroleum consumption grew much more rapidly than coal consumption and today it is an entirely evident fact that coal consumption will grow much more rapidly than petroleum consumption, just as it is certain that consumption of non-fossil energies will grow more rapidly than petroleum consumption. Of

course, with a petroleum price of \$30 a barrel supply may be greater and at \$50 a barrel supply is still greater. But what then? It does not remove the fact that there is an awareness today that it is finite and that it will be used up in a relatively short time.

Clearly, everything on earth is finite; iron ore is finite, but iron ore, in producing iron, leaves scrap that is returned and recycled. So you have basic differences between a product such as petroleum, which is used and disappears and, let us say, copper. The amount of copper on earth is finite, but when you produce copper it stays there; there is no way to throw copper into space. So it seems to me that there is a basic difference in regard to this problem.

Another frequent doubt seems to be about the interest-rate problem. Obviously, the higher interest rate represents a very serious additional cost to Brazil's balance of payments. But it is also no less obvious that the rise of this interest rate is a consequence of inflation and that inflation is also pushing up the prices of Brazilian products. Hence, one thing fairly well offsets the other, even though the balance is not perfect. So this interest-rate increase, although it is very unpleasant, is thus compensated for by exports, with a certain rise in prices. I think this covers most of the doubts regarding the strategy.

There is a widespread idea that petroleum will continue to be the most economical fuel, as long as it exists. Clearly, today you are faced with a cartel and hence the supply is controlled; they set almost any price they want. Unless all nations are as willing as Brazil is to effectively replace consumption of fossil energy you will not have any reduction in demand with the increase of this restriction on supply.

I think this may be a subject that there is no point talking about. To me it seems so obvious that we are dealing with a cartel that has made the world aware that the supply of petroleum is finite, that there is no way out, that there is no point in thinking that you can go on using petroleum as you had been using it previously, in such an irresponsible way. This is what we are seeing today.

ESTADO: What about the idea that the political determines the economic?

Delfim: I should like to answer that. Apparently it is a bit difficult to understand the proposition that the political determines the economic. It would be foolish to say that the political necessarily determines the economic or that the economic necessarily determines the political. There is no law that inhibits either one. What I said is that the solution of the economic problem must be achieved within the postulates of a politically open society. That is, the problem of reducing inflation, reducing the deficit in the current account of foreign payments, reducing the dependence upon imported petroleum and maintaining the level of employment must be faced without appealing for a political modification; that is, without

attempting to do this through a closed society. It is in this sense that the political determines the economic. The political is an essential premise for proper solution of the economic problem.

ESTADO: Would it then be in the sense that economic problems are not to constitute obstacles to the process of constructing a politically open society?

Delfim: The issue is exactly this: to solve the economic problem within a politically open society. In this sense the political determines the economic. But no one is saying such foolishness, as is suggested, that this means you can have whatever inflation you want; that would be foolish because it would negate the proposition itself. Inflation of 70, 80 or 90 percent a year makes maintenance of a politically open society very difficult; hence, this negates the proposition. But to say that the economic determines the political is even more serious.

That would be Marxism with a broken leg; Marx himself has nothing to do with this.

ESTADO: Returning to the problem of exports, which you consider the only solution. We are living in a world of recession, of inflation in several industrialized economies, of protectionism and increased barriers. In view of such problems, would the goal of increasing exports to \$40 billion in 1984 be feasible?

Delfim: What I think is this: to get to 1984 you have to pass through 1980. The objective--notice, it is not a forecast, it is not a projection, it is the objective--in 1980 is to export \$5 billion more. It is true that international trade is developing at a slower pace today than it did in the past. But it is no less true that in recent years it has been growing 5 percent annually in physical terms, with or without recession. So I think it is going to continue growing at this rate. It is a trade of \$1.2 trillion or some such thing. What Brazil intends to get is an infinitesimal part of this. We exported \$1.5 billion less agricultural products this year and imported \$1.5 billion more. Next year we are simply going to return to our previous position, a goal that seems perfectly feasible to me.

Higher Levels of Foreign Trade

ESTADO: Would the increase be essentially due to resuming agricultural exports?

Delfim: Agricultural exports and the continuation of industrial exports--which I consider perfectly feasible. I think that now there is no longer any doubt about this. It seems to me that this requires a great deal of work. It is not a projection, it is not an extension of the past; it is a desire, a determination to do it. It seems to me to be perfectly feasible.

ESTADO: Do you think it is possible to get along with a deficit in the balance of payments for a few years?

Delfim: My idea is that we shall always have a deficit in the current account, a normal thing for a country that is importing capital. I think you cannot let it continue growing at the rate that it has been. The great effort we are going to make in the coming years is to stabilize the debt. By stabilizing the debt with this increase in exports, within 2 or 3 years we will return to perfectly acceptable ratios.

ESTADO: Could you define such debt stabilization better? What does it represent?

Delfim: This is the way I see it: What happened during the last 5 years? Essentially, you created debt, which means you imported foreign capital to finance domestic consumption. How does one close the gap in the current account? Generally, by borrowing more capital abroad. What we intend is to have a surplus in the trade balance, which would really reduce the foreign deficit and hence make the debt grow much more slowly than exports, in such a way that within 3 or 4 years you return to more acceptable export levels, putting people a little more at ease. And let me again stress: there is no banker who is worried about this; this is something that worries people who are looking only at the figures, who do not have a clear understanding of the international market.

ESTADO: What about the trend of imports in coming years? Will we not also have to import more?

Delfim: We will. I am not assuming an increase of exports without an increase of imports; I am assuming a favorable trade balance, at higher levels. For example, the deficit this year is \$2 billion to \$2.2 billion. Next year, if I export \$20 billion and import \$18 billion, there will be a \$2 billion surplus; in other words, a deficit of \$2.5 billion becomes a surplus of \$2 billion, a difference of \$4.5 billion in current accounts. We want to achieve a trade surplus at higher levels of trade. Why higher levels of trade? because it is the way in which I will activate the economy; it is the way in which I will pay for this petroleum I am importing. Now, what to me seems important is that if we think in terms of a 2-, 3- or 4-year period, everything will tend to go in the same direction: reducing inflation, reducing the current-account deficit, solving the energy problem, and doing so in such a way that this administration will terminate in a considerably better position than at present.

ESTADO: From your point of view, did the previous government's policy of import substitution in capital goods and inputs produce the expected results?

Delfim: In the short run, no. The import substitution policy is a policy that increases imports in the short run. But if you look ahead 5 or 6 years, it will certainly benefit us. Because we are really going to make use of

the idle capacity we have in the capital goods sector to help us in solving our problems. But in the short run it certainly created pressures on the current account balance and inflationary pressures as well.

ESTADO: In spite of the difficulties, the government has ambitious development programs. All the cabinet ministers will want to make expenditures and accomplish their programs. Will there be enough money for all this?

Delfin: All programs that have been approved thus far are being funded by completely noninflationary appropriations. There is no longer the possibility of your getting a program approved without funds. But what happens is that people add in the same thing 10 times. When program "A" is announced, it gives him a certain total; then, when program "B" is announced, it already contains program "A" and he adds it in twice. What I can guarantee is that there is no program approval without complete allocation of funds. There is no program with undefined funding.

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NETTO SEEN AS DEFENDING ECONOMIC, POLITICAL STRATEGIES

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Oct 79 p 34

[Text] Brasilia--In defending the 3d PND [National Development Plan] before the joint congressional committee considering the bill, Planning Minister Delfim Netto yesterday reasserted that the plan's strategy contemplates predominance of the political over the economic and that the three priorities proposed--combating inflation, adjusting the balance of payments and replacing petroleum-based energy--must be conducted in terms of assuring accelerated economic growth, but with indispensable reference to constructing a politically open society.

The planning minister debated the strategy and objectives of the 3d PND with ARENA [National Renewal Alliance] and MDB [Brazilian Democratic Movement] senators and deputies for more than 5 hours and had to answer one criticism after another made by the congressmen, the most persistent of which was about the absence of quantitative goals, which, in the congressmen's opinion, deprives it of the characteristics of a development plan and makes it immune to any commitment to society.

In reply to these remarks, the planning minister persistently explained that under present conditions, "when it is not known what petroleum prices or interest rates will be tomorrow," it would be "extremely risky" to establish quantitative goals, since there would be no guarantee whatever of their fulfillment and the plan would become demoralizing.

Saturnino's Criticisms

In his speech, Senator Roberto Saturnino made four criticisms of the 3d PND economic policy: 1) The government's lack of credibility in the public mind is one of the causes of inflation and explains the authorities' fear of establishing quantitative goals for the plan; 2) The government is protecting the sectors that provide its support, treating bankers who ignore decisions of the Central Bank with mere warnings that result in nothing, while the workers are treated with violence; 3) The planning minister's assertion that wage increases above the level of prices are responsible for inflation is false, since a recent survey showed that wage increases on the

average were no more than 50 percent, while price increases measured on an annual basis already exceed 60 percent; 4) Faced with the serious balance-of-payments crisis, the government could be tempted to sell national assets, "denationalizing" industry and offering dangerous concessions to foreign capital, such as the announced benefits for risk capital as an alternative for discouraging loan capital.

The planning minister replied to the opposition senator's remarks one by one, asserting: 1) The causes of the present inflation are not psychological (the government's credibility crisis), but a combination of four factors--government deficit, petroleum prices, wage maladjustment and shortage of foodstuffs. The government was not afraid to quantify the 3d PND goals; it merely felt that throughout the world today it is an anachronism to prepare quantitative programs; 2) The government is not protecting the financial community or the multinational company while using violence against the working class, but is ready to expand the scope of its welfare program more than the opposition realizes, although it is limited by lack of funds. In the case of incentives to foreign capital, Delfim Netto explained that it is not a matter of providing advantages but of "equalizing" advantages, "so as to make use of foreign funds in the form of loan or investment a matter of indifference one way or another" and, from then on, to use mechanisms conducive to application of investment funds; 3) Although the "maladjustment" of wage increases is one of the causes of inflation, it is not true that the government intends to "toughen wage policy." The bill now in Congress providing for semiannual raises will not prevent direct negotiation between employees and owners in the range of productivity indices, which can be differentiated in keeping with category; 4) After reaffirming that there will be no incentive to foreign capital to the detriment of domestic, the planning minister condemned the import-substitution policy, asserting that in the short run it creates inflationary pressures and that the government's intention is to control imports fiscally, although the ideal way would be to stimulate exports to the maximum. Delfim Netto said it is desirable for exports to reach \$40 billion in 1984 but "to get there" it is first necessary to meet the challenge of \$20 billion of exports next year, with an increase of \$5 billion over this year's sales, which he considered feasible.

Liberalization

During his speech, Senator Franco Montoro asked the planning minister to tell him on what date political liberalization is to go into effect and whether the government is willing to allow Congress to pass the Edison Lobao bill which establishes direct elections for state governors. Delfim good-naturedly replied that "political liberalization is occurring at this instant, with your excellency's speech," and, regarding the Lobao bill, "the decisions of Congress are something that the 3d PND cannot predict."

Quantitative Goals

The joint committee's chairman, Deputy Paulo Lustoso, perceived "implicit" quantitative goals in the very projections of the 3d PND, with which Minister

Delfim Netto agreed. According to the Ceara deputy, the nation's growth in the next few years should be between 7 and 8 percent [annually], with industry accounting for 7 percent and agriculture for about 4.5 percent. Only at these levels can it be hoped to generate 1.6 million jobs a year and meet domestic needs for food while producing exportable surpluses sufficient to increase foreign sales 22 percent per year.

Paulo Lustoso expressed concern regarding the fact that the planning minister is making agriculture responsible for solving the national economy's three basic problems: producing enough for domestic consumption to relieve inflationary pressures generated by food shortages, providing exportable surpluses to reduce the trade deficit, and reducing the pressure from imported petroleum by providing substitutes such as sugarcane and cassava for alcohol.

"There is no other solution," replied Delfim Netto. "If we are putting a heavy burden on agriculture it is because there is nowhere else to put the burden. However, this is the most important strategy of the 3d PND: it is that a whole historical and technological era based upon petroleum has ended. When the world's petroleum reserves run out this whole technology will have to be changed, since the transformations now underway are more far-reaching than we realize. We are facing a challenge that demands a complete technological change, not just one nation's crisis."

The planning minister acknowledged that the plan sent to Congress is ambitious and optimistic because, if on the one hand it shows the government's confidence in overcoming difficulties, on the other hand it bases all its projections upon the availability of the nation's resources to overcome these difficulties. "But we, like everyone, are putting all our hopes in the hands of God," he asserted.

Delfim Netto repeated that the objective of expanding the nation's agricultural frontier is compatible with all the other strategies contained in the plan, which are to revitalize industry, reduce food costs and generate exportable surpluses. "The plan is entirely consistent, to the contrary of what many people are saying, since expansion of the agricultural frontier will mobilize the capital that is idle in industry, increasing employment and lowering costs per unit of output," the planning minister said.

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BALANCE OF PAYMENTS SITUATION DESCRIBED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 12 Oct 79 p 25

[Text] Brasilia--Brazil paid \$2.54 billion interest on its foreign debt in the first half of this year, an increase of 65.87 percent over the \$1.53 billion paid in the similar 1978 period. As interest payments are the major cause of the nation's deficit in the balance of payments, the current-account deficit rose to \$4.42 billion in the first 6 months of this year, 55.37 percent greater than the \$2.82 billion deficit reported last year's first half. Adding \$3.17 billion in amortization payments of principal during the first 6 months, debt charges absorbed 83.88 percent of export receipts--\$6.8 billion--according to data released yesterday by the Central Bank.

Restrictions on entry of foreign loans reduced net capital inflow to \$2.58 billion in the first 6 months of this year, compared to \$3.25 billion in the same period of last year. As the current-account deficit was \$4.42 billion, Brazil's balance-of-payments deficit for the first 6 months of this year was \$1.81 billion, covered by depletion of exchange reserves, which fell from \$11.89 billion in December 1978 to \$10.11 billion by the end of June.

According to the balance of payments prepared by the Economic Department of the Central Bank, entry of intermediate- and long-term foreign loans and financing reached \$5.52 billion. But net capital inflow fell because amortization payments rose from \$2.47 billion in the first half of 1978 to \$3.17 billion in the first 6 months of this year. The foreign debt rose to \$45.8 billion at the end of June and bank officials were already estimating it at \$47 billion at the end of last month.

The trade-balance deficit of \$715.7 million in the first half of this year was almost insignificant compared to the huge deficit in the services account--\$3.72 billion--overburdened by interest payments on the foreign debt. Brazilian receipts from services were only \$1.29 billion in the first 6 months of the year, compared to expenditures of \$5.01 billion, which were 53.17 percent more than the \$3.27 billion of the first half of 1978. In keeping with what the Central Bank itself remarked in its report about last year's transactions, the statement that "the nation's foreign debt explains a large part of the current-account deficit" becomes increasingly valid.

Within the services account, the interest item showed a deficit of \$1.91 billion in the first half of this year, due to interest on the foreign debt of \$2.54 billion and receipt of \$624.7 million resulting from investment of exchange reserves and charges made on financial transactions with other countries, mainly in connection with Brazilian exports.

The Central Bank also reported a 101.47 percent year-to-year increase in foreign-exchange losses under the heading of profits and dividends. Profit and dividend payments went from \$298.6 million in the first 6 months of 1978 to \$601.6 million in the same period this year. As Brazil received an insignificant return of \$3.1 million from its investments abroad, this subcategory had a deficit of \$598.5 million in the first half year.

The deficit in the transportation account increased 24.83 percent in the first 6 months of this year compared to that of the same period of 1978. It reached \$626.4 million, resulting from receipts of \$312.8 million and expenditures of \$939.2 million. There was a small surplus of \$12.1 million in the subcategory of freight.

Despite the existence of the compulsory deposit for Brazilians traveling abroad, the deficit under the heading of international travel was 25.9 percent higher in the first half of this year than in the same period last year. Expenditures by Brazilian tourists abroad totaled \$147.9 million, whereas foreign visitors spent only \$39 million in Brazil, resulting in a deficit of \$108.9 million.

In addition to interest, profits and dividends, the multinational companies also increased their remittances in the form of technical assistance and royalties. For this reason the deficit in the miscellaneous services category went from \$197.2 million in the first 6 months of 1978 to \$418 million in the same period of this year--an increase of 111.96 percent.

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DEFICIT MAY FORCE REVIEW OF FISCAL POLICY

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 13 Oct 79 p 21

[Text] Brasilia--"The situation of the Treasury deficit is so serious that the guiding principle throughout the government from now on is to get revenues by all means." This comment, made by an authorized government source, was accompanied by a prediction: fiscal policy will receive priority treatment at coming meetings of the Monetary Council, as the government is disturbed by the voluminous increase of the budget deficit, which amounts to 4 percent of the PIB [gross domestic product], about 240 billion cruzeiros.

And some measures to bring about increased revenues in 1980 have already been outlined: the first is raising corporate income tax rates by at least 10 percent, excepting only small and medium-sized business; the second, also affecting business, is a reduction in the percentages of fiscal incentives deductible from the income tax for deposit in regional development funds such as FINOR [Northeast Investment Fund] and FINAM [Amazon Region Investment Fund] and the sectoral funds such as FISET [expansion unknown], although this alternative is considered highly prejudicial to supplying funds for the Northeast and the Amazon region.

Although without committing himself to specific proposals, Planning Minister Antonio Delfim Netto confirms that the corporation "that is not paying income taxes will now have to pay," with the proviso that there are no plans to burden the individual any more, so they "can feel at ease." During the current period, reestimated income-tax revenues should reach 155 billion cruzeiros and for 1980 the estimate is for 240 billion cruzeiros, representing a nominal growth of over 60 percent.

Overestimate

The budget deficit is big because it includes national debt service, direct subsidies and transactions with monetary authorities. However, monitoring budget performance revealed an overestimate of revenue, so that the excess revenue of 51,442,000,000 cruzeiros could be much greater, had it not been for this overestimate.

In fact, federal receipts of 470,830,000,000 cruzeiros are estimated for 1979, assuming an inflation rate of 40 percent. As the inflation rate will be much greater, probably 60 to 65 percent, revenues should increase in line with this 20 to 25 percent increment. Meanwhile, the excess revenue estimated by the government and recently distributed was only 51,442,000,000 cruzeiros, representing a little more than 11 percent of the revenue established by the original budget, which exposes the overestimate.

The consequences of this mistake are now being faced by the authorities, who are trying to find ways of meeting the commitments made on the basis of tax revenues, although they do not have the funds available. In 1977, when the monetary authorities raised the compulsory deposit by banks from 35 percent to 40 percent, they allowed the 5 percent to be collected in ORTN [Re-adjustable National Treasury Bonds], which would be redeemed 2 years later with funds from eventual excess revenues. Now the time has come to redeem the ORTN and there simply are no 15 billion cruzeiros to honor the commitment.

The 51,442,000,000 cruzeiros of excess revenue were recently distributed to the National Development Fund; investments under a system of special execution; finance charges of the federal government; charges with borrowers of the Housing Finance System; compensation to the states for exemption from the ICM [tax on movement of merchandise] on specific products; and the contingency reserve, which received the largest amount, 18 billion cruzeiros. Contrary to what had been the case, funds of the contingency reserve will no longer be immobilized, since the law that authorized the distribution established (sole paragraph of Article 3) their use "to make up for eventual deficiencies in appropriations estimated in the current budget."

As a matter of fact, these apparent excess revenues are already committed and Planning Minister Delfim Netto himself admits that the 18 billion cruzeiros are not enough to pay for all the needed expenditures, which, unlike revenues, were not overestimated and also suffered the effects of the inflationary explosion. So much so that, although agreeing with the demands of government employees for payment of the 13th-month salary--and Minister Delfim Netto more than once expressed himself in favor of the idea--the government did not make the commitment because it would have to spend an additional 8 billion cruzeiros and, according to Delfim, "there is nowhere to get it."

Race for Cruzeiros

Treasury revenue established for 1980 was 877,863,000,000 cruzeiros, representing an increase of 67.3 percent over the probable (reestimated) revenues this year. Next year the principle of budget consolidation will go into effect, according to which the fiscal budget will assume responsibility for interest payments on the domestic debt and for direct subsidies, for which an appropriation of 87.2 billion cruzeiros was included.

Beyond this, to meet the needs of the energy mobilization program, the government created other sources of revenue totaling nearly 118 billion cruzeiros, broken down as follows: 32 billion cruzeiros included in the price of fuels and lubricants; 15 billion cruzeiros from an increase in the highway tax; 52.8 billion cruzeiros from sharing in export taxes and proceeds from exchange transactions--which until this year were revenue of the monetary authorities and included in the monetary budget--and 18 billion cruzeiros resulting from the new policy of fiscal incentives for manufactured exports, of which 3.6 billion cruzeiros will be transferred to the states and municipalities through the revenue-sharing fund.

However, excluding the new sources of funds, the effective nominal increase of revenue in 1980 will be 44.8 percent, a percentage that explains the concern of authorities about revenue and motivates the search for alternatives within the tight circle of increasing revenue or reducing expenditures.

Should the planning minister succeed in eliminating one-third of the subsidies granted to agriculture, which depends upon having sufficient crops to supply the domestic market and produce exportable surpluses, he will be reducing expenditures in one of the major items, but since this outcome depends upon unforeseeable factors, the authorities prefer to proceed on the assumption of increased taxes, preferably burdening the corporation and, among these, the large corporation.

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LABOR MINISTER DECRIES, SEES THREAT IN SENSELESS STRIKES

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Oct 79 p 39

[Text] Brasilia--With President Figueiredo at his side, Labor Minister Murillo Macedo yesterday warned that everyone had to understand that the democracy the government is seeking "is being endangered when we see strikes without any relation to labor grievances and that can only cause problems and more problems, increasing the level of inflation. And inflation is most likely to endanger any type of democracy anywhere in the world."

The labor minister said this during an impromptu speech he made at the inaugural ceremony of the headquarters building of the National Confederation of Workers in Educational and Cultural Establishments and in a reply he felt he had to make to the speech by the confederation's president, Demosthenes de Carvalho Rocha. The latter apparently took the president of the republic and the labor minister by surprise with some criticisms of the government. First he said that the building was constructed with great sacrifice because the loan requested from the Social Aid Fund "although promised and not officially denied, never reached us."

Later, he expressed some "thoughts" about other subjects. He complained that relations between the government and the working classes "lack human warmth." And he stressed that poverty continues to increase in the nation because there is more concern for the rate of inflation. He enumerated the growing problems--crime, infant mortality, prostitution--and added: "All this, so as not to harm the inflationary index, which cannot increase. But poverty can." And he also criticized labor leaders who "live from unionism and not for unionism," stressing the need for a liberalization in that sector also, "from the inside out."

President Figueiredo, who only came to open the meeting and later to close it, listened to the labor leader's speech with visible restraint. It was the labor minister who took the initiative of replying. And after the ceremony Murillo Macedo explained to reporters what he means by "a strike unrelated to labor grievances." "They are those strikes," he said, "for the personal promotion of labor leaders, strikes that do not really have any economic basis; strikes which, in fact, are subversive."

House of the People

"Everyone has the right to go to the National Congress, because it is the House of the People," was the comment made yesterday by Labor Minister Murillo Macedo about the meeting of 500 labor leaders in Brasilia scheduled for 24 October, for the purpose of urging congressmen to vote in favor of proposed changes in the bill to reform the government wage policy.

Although agreeing with the right of the labor leaders to go to the National Congress, Murillo Macedo called the government's bill the most progressive the nation has yet seen. He also said that "it is very sad to come to the conclusion that the labor union must depend upon inflation to become mobilized," adding that what the government bill seeks "is to bring the worker's wages to a state of reality, without inflation."

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GENERAL VIAUX DENIES HAVING POLITICAL AMBITIONS

Santiago LA TERCERA DE LA HORA in Spanish 10 Sep 79 pp 4-5

[Interview with Ret Brig Gen Roberto Viaux Marambio in Santiago by Ruben Adrian Valenzuela: "General Viaux: 'My Hands Are Free of Commitments and I Do Not Harbor Hatred'"; date not indicated]

[Text] Roberto Viaux Marambio--a 62-year-old retired brigadier general, married with four children--became a controversial figure in national politics around 1969. First there was what he calls "confinement" at the Tacna Regiment when, as leader of a group of officers, he barricaded himself in that unit to protest Eduardo Frei's administration's lack of attention to military problems.

Less than a year later, he was involved in the so-called "Schneider case"; some say that he was the mastermind. This was an attempt to kidnap the army commander in chief "to prevent the installation of candidate Salvador Allende as president of the republic who, in the September 1970 elections, received a relative majority," as Viaux himself emphasizes now.

The plan failed because Gen Rene Schneider was killed "and that was the only thing that could ruin our plan."

All that is history now which Chileans under 20 will barely remember. Nevertheless, in spite of the time elapsed, Viaux continues to be a figure who arouses public attention, for better or for worse.

His imprisonment for the "Schneider case," his subsequent exile to Paraguay and his recent return to the country all were front-page news even though he was always careful not to talk about it "or give opinions on events about which I only had a limited idea."

A Little Milder

We arrived at his small office on Rafael Canas Street convinced that he would talk about anecdotes from the past. He had refused before to give opinions on current events and the most other interviewers had achieved was to make him talk about his hardships in jail or his homesickness in exile.

As we entered, he made us feel that we were wrong, that he was going to speak clearly and bluntly although he is now a little milder and politer than in 1969 when, wearing the uniform of Chilean Army general, he left Antofagasta to barricade himself at Tacna Regiment.

He looked like a history professor or Mason in a tweed jacket with narrow lapels which was a little too wide in the shoulders. However, he looked neat and serious without looking much older. He was firm.

It was hard for him to talk. He looked for the right words and knew exactly in which direction to go. After some amenities and observations--"you have to be very exact in writing what I am going to say to you"--he decided to speak frankly, with the same frankness that characterized him during the years when he threatened the Christian Democrat government.

Remembering the "Tacnazo," he said: "I could cross from the Tacna Regiment to the Moneda without any problem. It would not even have been necessary to fire a single shot. Don't forget that no one supported those people (the Christian Democrats) any longer."

Question: What do you want today, General?

Answer: To make my opinion known like any Chilean son who is upset to see the people going through a painful economic situation, hunger and poverty, while certain groups enrich themselves as much as possible.

Question: Do you consider yourself a political alternative in the Chile of 1979?

Answer: I have one single ambition...the ambition of seeing my country, Chile, great, strong, independent, sovereign...proud and to see the Chilean people happy.

Question: You are not answering me, General.

Answer: I do not have any personal political ambition. My only ambition is to see my people happy and my country great.

Question: How do you explain the fact that, 6 months after your sentence of exile is over, you have decided to speak?

Answer: [No answer]

Question: Was this silence imposed on you? Has someone kept you from speaking or have you censured yourself?

Answer: No one has imposed any type of silence on me. I did not say anything before because I felt that the present international and domestic situation of Chile made it advisable not to do or say anything that could aggravate the problems. To me, Chile always comes first; therefore, I felt it was prudent to keep silent.

Question: How did the situation change so that you now believe it is prudent to speak?

Answer: Well, now I know the situation; I believe I know the origins of some of the serious problems. I believe that this is the time to present some ideas, to clearly state some ideas.

Critic or Supporter?

Question: It seems to me, sir, that a conversation cannot be undertaken halfway or tepidly even when it is for an interview that will be published in a newspaper. The people ask what you are up to, what your philosophy is....I want to ask you directly--and I expect a frank response--are you a supporter or a critic of General Pinochet's government?

Answer: I describe myself as a soldier by tradition and by vocation.... I describe myself as a nationalist because all my interest lies in the happiness of the Chilean people and the grandeur of our country.

Question: With all due respect, your answer seems to evade the question. Tell me directly, what do you think about this government? Should it continue or not, in your opinion?

Answer: I differentiate between a military regime and a military government....I believe that it is absolutely necessary that the military regime continue during what has been called the transitional period which, we think, is a period that is approaching. As to the military government, I feel that it has done some good and I also feel that it has done some things with which I absolutely disagree.... I do not agree with this government's actions in domestic economy, labor or the social field....However, I describe myself as a nationalist who wants to see social justice with individual freedom.

Question: But this government also describes itself as nationalist....
I do not see the difference.

Answer: I believe in the "Nationalist Revolution" which begins in the conscience of each person and ends in unrestricted thought and action, in a total surrender to the fatherland. Our nationalism is not exclusive and its actions have a Latin American awareness. My nationalism implies not only the search for happiness but the serene fulfillment of destiny at the service of Chile. We serenely accept what life offers us like, for instance, jail and exile. To us, that is nothing more than a simple act of service.

Question: I believe that that is no different than others who call themselves nationalists. Except for differences in shade, I think that all seem much the same.

Answer: The nationalism that I embrace makes me nationalist by default. I could not be Marxist, for example, because I believe in freedom. I could not accept--as I proved with actions--a system that oppresses people by hunger....Do you agree with the JAP [Supply and Price Boards]? Do you like the black market, the lines and all that? I do not believe in a system that deifies the state and eliminates private property, something that I understand as a guarantee of freedom.

Question: What do you think is more serious: that the people stand in lines--a sign that they have money to buy with--or that men, women and children wander around, looking at the overstocked showcases of food that cannot be bought?

Answer: That is why I also cannot accept this economic system which is being applied. I cannot accept capitalism and its concomitant social injustice that bases all human progress on profit.

Question: You say that you detest a system that deifies the state. Doesn't it seem to you that the present system makes the economy a god that determines everything?

Answer: I think that a business should be run using business criteria. A country should be run using statist criteria. To me, the capitalist system is unacceptable because it requires a certain political system, a liberal bourgeois system with political parties. I cannot believe that people are freer when they can only choose between the candidates that the governing clique of each political party nominates.

Question: Well, what type of regime do you believe in? Does it seem viable?

Answer: I believe in a regime that values man in his true dimension, that knows how to integrate the worker to his enterprise through effective and real participation and integrate the entire national community, united in its historic destiny, to a state that leads it, first taking care of national security (national development and national unity are inseparable concepts). It promotes a social market economy that effectively takes care of the social function of private property and that organizes political power through the natural organizations of working men--that is, the unions and their territorial communities.

Question: You were a conspirator...in 1970 you conspired against a legitimately constituted government....Would you do it again? Are you conspiring now?

Answer: Conspiring is not now and never has been my way of acting or expressing myself, except in 1970 when there was no other alternative. I did not conspire against a constituted government but against a system that was going to make it possible for a candidate who had not obtained the absolute majority to become president of the republic. I have expressed my philosophy freely, with the sound idea that it be heard and that it be taken as constructive and well-intentioned cooperation. My actions were never directed toward achieving a personal objective. On the contrary, they are intended for the national good.

In any case, I can tell you emphatically that I never conspired against the Armed Forces of which I am part. It would be like conspiring against myself.

Question: But your position today, to judge from what we have talked about until now, seems to me more that of a critic...an opponent.

Answer: I am very worried about the economic, social and labor situation of our people. I feel that it is of primary importance to attack those problems because the greatest wealth that a country has is its people. A family consisting of the head of the household, his wife and four or five children cannot live on 3,000, 4,000 or 5,000 pesos a month. The danger that I see in this is that our people are being underfed and suffer great economic afflictions. I believe that the primary duty of the government is to quickly remedy this situation because the despair in which the heads of families are submerged will lead to international Marxism and convert the discontent into hatred and revenge.

Question: Don't tell me that you see international Marxism as our only enemy.

Answer: Domestically, yes...I believe that if the socioeconomic conditions of the people do not improve, we are going to fall into the same mistake again; we are going to regress.

Question: Based on the theory that Marxism is waiting in ambush, many outrages are committed in this country, other enemies are permitted to act ruthlessly and anyone who tries to show opposition is accused of being Marxist or something.

Answer: I must explain to you that, to me, there are two enemies of our people, both equally dangerous. One is international Marxism or extreme state capitalism and the other is Manchester liberalism which is guided only by the desire to make money and whose god is the golden calf. Both are opposed to my nationalist philosophy.

Question: What do you think about the high social cost of the economic model developed by this government? It was thought that this was only going to be at the beginning but 6 years have already gone by with no glimpse of social recovery from this process.

Answer: What happened was that a shock policy was applied which, it was said, has been left behind. However, that is not true because the shock continues and I believe that it is past time that it should end. The social cost is very high and continues. That should not be. Anyone who knows the present reality and is not stubborn can recognize that the civilian economic group directing finances and the economy--even with the best intentions in the world--has submerged the great majority in this country into a painful economic situation. Unemployment, hunger and poverty are propelling the national majorities to the opposition. Meanwhile, speculative businesses flourish and banks proliferate and make certain economic groups very rich while large sectors struggle in need and fear.

Question: What do you propose?

Answer: What do you mean, what do I propose? It is necessary to change all this! It is necessary to revitalize the country through the effort and work of all but without anyone exploiting anyone else, without anyone abusing anyone else. We have to take the country forward with the Armed Forces, go forward from this bad economic time when prices are on the international scale and wages and salaries are not even on the national scale....A business should be run using business criteria...but a country should be run using statist criteria.

Question: Well, you still haven't answered my question....I challenge you to say what you would do if you could lead, if you could design the transitional period which we have already mentioned.

Answer: Since you challenge me, I feel obliged to tell you that the Constitutional Reform Bill consecrates a system of political organization that again hands over the power--political power--to the political parties.

Question: What is wrong with that?

Answer: In our opinion, it is a mistake. It is a mistake even if legal and constitutional safeguards are included to impede Marxism. No decree, even on the constitutional level, will eradicate ideas nor have they been eradicated.

Question: What about the concept of protected democracy? What does it suggest to you?

Answer: One more naivete, a political naivete. For this reason, the government's constitutional bill does not seem to be the best. It should aim at creating the bases for a nationalist state which is certainly not the model that we know in Chile today.

Question: Let us continue without talking about the exact transitional model that you would propose....In your opinion, when should it begin and when should it be considered over?

Answer: In the first place, it cannot be the stage immediately before the return to liberal democracy, whether protected or not, because this would be a return to the past farce....We already saw how the prophets of the "revolution in freedom" and "social democracies" were incapable of stopping the advance of Marxism to power. Now, to answer your question directly...I must...must be very clear in telling you that I see the transitional stage as a period that begins right now and carries us directly to a nationalist state. It must be obviously different from what we have today.

Question: What do you mean by "obviously different"? Should we understand that you propose a change in the present power structure which means the replacement of the military regime by another system?

Answer: It should be under the military regime but it should be a second military government. This government should be conceived by the Armed Forces....They should decide when and how it should be installed....This is the way I visualize the transition to a nationalist state which implies political power in the hands of working men, a social market economy which really takes care of the social function and national security as the pivot of the entire structure. The government that assumes responsibility in this new stage--I insist on it always developing under the military regime--would have to apply all the nationalist postulates that have never been made reality in Chile except perhaps during the time of Portales....Thinking only of Chile, I believe that this is the only alternative we have left since to return to the past would mean that everything that has occurred has no value whatsoever, that the hundreds of dead served no purpose, that economic stagnation did not exist and that

we would have to prepare ourselves to relive the tragicomedy of political chicanery.

Question: On many occasions recently, the people who died defending the present system have been mentioned....No one seems to remember that there were also people who gave up their lives defending the traditional democratic regime or who were sentenced to jail and exile. Even today there are many who cannot live in their fatherland because they defended their ideas of a life in freedom....Don't they count?

Answer: Those people of whom you speak were defending their freedom against the freedom of others. I do not believe that it is unfair to keep them away in order to maintain social peace in the country and to prevent bombings and murders of innocent people and not permit them to return until they desist in their attempts.

Question: Do you think that Renan Fuentealba or the former rector of Catholic University, Fernando Castillo Velasco, are men who are going to come to Chile to murder people and place bombs?

Answer: I do not know the background of their cases; therefore, I cannot answer.

Question: As a person, without going into the details of each case, what do you think about the fact that there are Chileans who cannot live in Chile?

Answer: In principle, all Chileans should live in their country or be allowed to enter it at will. However, there are cases where some Chileans would come to try to make their ideas prevail using force, terrorist attacks or attacks on the tranquillity of the majority of the people. In order to defend that tranquillity, it is unfortunately necessary to postpone their return.

Question: Does it seem fair to you that an amnesty law was passed for deeds after 11 September so that you and others who describe themselves as nationalists had to serve their sentences in spite of the fact that your crime was precisely fighting the Popular Unity?

Answer: Unquestionably, there is nothing fair in what you say, especially if we keep in mind that our only crime was to try to do the same thing that this government did later....We were going to do it without bloodshed, without an economic disaster and without arousing hatred among Chileans, hatred that will remain for many generations. I served my sentence; I did not ask for mercy because my conscience is clear. My hands are free of commitments and I do not harbor hatred. I offer forgiveness for the sufferings and indignities my family and I endured and I retain my faith in God, the fatherland, my family and our people.

Question: General, in 1970 you stated that the Armed Forces, being people in arms in your definition, had become second-class citizens. What do you think in 1979?

Answer: In 1969, the personnel of the Armed Forces were converted into second-class citizens. That is history. Now civilian and military personnel are equal but neither of those groups is in a particularly favorable economic situation....Those who are indeed in a good economic situation, those who have the upper hand, are the groups favored by the economic policy of the civilian team that advises the government. This shows the people that "the rich are favored so that they can become richer while the great majorities become poorer each day." I reaffirm that military personnel, those in active service and especially those who are retired, are in a difficult economic situation.

7717

CSO: 3010

HAVANA STRESSES AIMS OF PUERTO RICO SOLIDARITY CONFERENCE

FL171347 Havana Domestic Service in Spanish 1145 GMT 17 Nov 79 FL

[Revolutionary Armed Forces and Interior Ministry combatants political information program commentary]

[Excerpt] The struggle of the Puerto Rican people for national independence now is a prevailing topic not only in the Caribbean and Central America but also throughout the Americas and the world.

Puerto Rico was subjected to Spanish colonialism since Columbus' first trips to the Old World, and following the Spanish American War the Caribbean island became a Yankee colonial enclave.

Since the beginning of this century, U.S. imperialism began the task of penetrating and controlling Puerto Rican life and filling that territory with military bases which serve as bridges for aggression against other nations of the area. These bases even have nuclear weapons.

Puerto Rico is of great economic importance to the United States. Statistics show that the value of Yankee investments in that island last year amounted to \$20.26 billion with net profits of more than \$2.46 billion.

The demands made by the Puerto Rican people at the United Nations and other international organizations and agencies have placed the subject of decolonization of Puerto Rico under continuous discussion. The case of Puerto Rico acquired singular importance after the moral and revolutionary support offered by the nonaligned countries sixth summit conference to the peoples of the Americas and in wake of the crisis inflated by imperialism to strengthen its military presence in the Caribbean and Central America. This is why when the second international conference of solidarity with Puerto Rico's independence opens in Mexico City late this month, all world public opinion undoubtedly will follow everything discussed at that conference.

The conference should reaffirm that it is necessary that Puerto Rico become an independent nation in recognition of the fact that sovereignty belongs to

the Puerto Rican people and that the powers usurped by the U.S. Government must be fully recognized and transferred to the Puerto Rican people in keeping with their inalienable right to self-determination.

It also has been proposed that this second conference condemn the holding of a clever and colonialist plebiscite with which imperialism wants to fraudulently ratify its possible annexation of Puerto Rico. The conference plans to condemn the climate of terrorism and repression which imperialism and its pawns exercise against Puerto Rican patriots, and to support the struggle of the people of the island municipality of Vieques to get the Yankee Navy out of that island.

The objectives of the conference also include reaffirmation of the Puerto Rican people's right to own and benefit from their natural resources, and rejection of the colonial plundering of the island by foreign interests.

The conditions of life of Puerto Ricans who have had to emigrate to the United States—where they are subjected to the most merciless economic exploitation and brutal discrimination—will be denounced at the Mexico City conference.

Among many other things, the second international conference of solidarity with the Puerto Rican people's independence struggle will condemn the U.S. policy against the population of the island which has led to the massive sterilization of women in a genocidal manner.

The democratic struggles of Puerto Rican workers, students and progressive forces will be supported at the conference and agreements will be reached to support the just cause of Puerto Rican independence.

The importance of the conference lies on these objectives, and the broadest anti-colonialist, anti-imperialist, progressive and democratic sectors of the world have been mobilized to fulfill such objectives.

It is to be expected that the international conference of solidarity with the Puerto Rican people's struggle will contribute to the independence aspirations for which Puerto Rican patriots have given their lives for more than a century.

CSO: 3010

NEW SOCIALIST PRODUCTION METHODS ESPOUSED FOR AGRICULTURE

FL152139 Havana Domestic Service in Spanish 2102 GMT 15 Nov 79 FL

[Text] "These seminars are linked to each other by their significance and, because of their specific characteristics, they fulfill tasks of primary importance in the ideological work done by the National Association of Small Farmers [ANAP]," asserted PCC Central Committee secretariat member Antonio Perez Herrero at the close of the history and political studies seminars held for 2 days at the Orlando Pantoja Provincial Party Cadre School in Marianao, Havana.

Perez Herrero said that the results of the training period, its difficulties and successes and action to be taken so that political work can reach its proper level at each training period were examined at both seminars. He noted that we are living at a decisive period in which all our work must contribute to the future development of the country. We will reach this development gradually but certainly, he asserted.

Perez Herrero said that production methods not in keeping with our times or our needs should be left behind gradually. Small farms must pave the way to the future which will be characterized by expansion of socialist production methods.

He pointed out that it was necessary to achieve high production, greater yields, savings in labor and better use of equipment at cooperatives and state plans that cover big land extensions. This represents an important process to develop our economy and for the well-being of our people, in addition to being a decisive step forward for the peasants.

Perez Herrero said that ANAP must perform an historic mission emanating from the first party congress. In this regard, the peasant organization must undertake patient work to inform, enlighten, convince and win over each family for the purpose of advancing, when the time comes, to socialist

methods of production, zealously observing the principle that this is on a volunteer basis. He said that in fulfillment of this mandate, ANAP must aim all its activities in that direction, especially in political work. Lastly, he emphasized that the march toward superior production methods also means a higher standard of living for the peasants and their moving to new levels of culture and moral standards.

CSO: 3010

TOBACCO GROWERS ALERTED TO DEFICIENCIES, BLUE MOLD DISEASE

Pinar del Rio GUERRILLERO in Spanish 15 Sep 79 p 4

[Interview with tobacco officials and farmers by Rafael Cao Fernandez]

[Text] The Provincial Technical Meeting on Tobacco will take place all day today at the Dona Rosario Garcia EFECI [expansion unknown] in this city. This event can be termed necessary if we consider the decline in this crop that has occurred in recent years in the province, a decline due precisely to the failure to employ correct methods. As a result, both yields and quality have suffered.

Consequently, for several months a guide has been distributed to the cooperatives and the state enterprises for the discussion of everything involving the requirements of every phase of tobacco cultivation. After analysis and expansion, this material gave rise to eight reports that will be discussed today by other committees, composed of engineers, technicians, workers and farmers who obtain high yields.

Well, how do those attending the meeting view the different factors affecting the harvest? GUERRILLERO took it upon itself to question them in order to obtain preliminary opinions and, while at it, to deal with this inexhaustible topic of tobacco-growing techniques.

To this end, we met with Mariano Mendoza, an engineer and assistant director of production at the Santiago Rodriguez enterprise; Juan Mena, chief of the enterprise's District Five; Gilberto Gutierrez, an engineer and chief of the enterprise's Department of Quality Control; Jesus Plasencia and Ramon Fuego, growers in the El Corojo area who obtain high yields. All live in the municipality of San Luis.

The question posed by GUERRILLERO was the following:

What do you think of the meeting and the affect it will have on the province's tobacco industry?

[Mariano Mendoza] I think the sharing of experiences in the field of tobacco technology is essential, and we're going to have that at the meeting. We'll start out from this point with a line established that will form the technological plan for the crop, which, once it's been approved, will serve as a guide for carrying out serious work in this harvest intended to obtain better yields and higher quality.

The technical measures and standards adopted here will help to improve the technology for the crop and to obtain greater yields and higher quality in every type of tobacco.

[GUERRILLERO] Do you think an event of this type was necessary in the province? Why?

[Juan Mena] I think this meeting was necessary in the province because for some time we've been having problems with the technical standards. They aren't being applied so strictly, as seriously as the situation demands.

That's where the importance of this event lies: in setting standards again and seeing that they're met; for the important thing is this: that they be met, to see if we can get out of this bind concerning the tobacco industry. Something has to be done; we have to straighten things out, and I think the meeting will play that role.

We don't maintain standards for cultivation in the fields; and now you will ask me why. And I'll tell you: the men involved with the crop in the fields are unskilled and know very little, for in the district and in the fields we have to carry out the campaigns with mobilized personnel. There are very few from the enterprise. I think these workers have to be given some technical training so they'll know more, so they'll acquire experience and we can solve the problems.

[GUERRILLERO] Do you think the tobacco is getting everything it needs for normal development despite some scarcity of farm supplies?

[Gilberto Gutierrez] Tobacco is a crop for which there are now definite technical standards and, moreover, qualified technical personnel able to do a good job of guiding producers. However, this alone doesn't govern the development of this plant, but rather the technology for the crop has to be employed, and we think that this is not being done; and in many cases things are done badly; for example, fill isn't placed in areas that need it in a general sense. This job has to be insisted on a great deal.

Preparation of the soil isn't carried out as well as it should be, especially in the state sector. Less care is taken in the details of cultivation by tobacco growers, particularly, again, in the state sector; for the seedlings aren't planted in time or as well as they need to be, owing to the lack of specialization of the work force, primarily the students.

We believe these negative factors have a considerable effect on tobacco yields and quality.

/Jesus Plasencia (Jesusin) will take part in the discussions of the committee on irrigation and drainage. He is a producer of high yields in the El Corojo area, and he offers his experience concerning this, [in boldface]: Of the particular experiences I've had in irrigating tobacco, there's one main one: giving it the irrigation it needs, the right amount, as long as you bear the weather in mind, because this is a factor that depends very much on the weather.

Normally, we mustn't fail to irrigate it when it needs it, whether it be Saturday, Sunday or night time, because it needs it, and you have to do it at the right time, when the plant asks for it. This is speaking in general terms, and specifically regarding shade-grown tobacco there are various opinions. Growers, or every grower, often says he has his own little schedule, though I think there's a well-done technical table for normal weather, although there are individual experiences that we aren't going to discount.

There's a theory that the tobacco should be harvested, at harvest time, wilted. I personally have had the experience that this doesn't help at all. And I can give you examples: In this last crop; no, the one before that, was a year that it rained a lot, and the tobacco had to be harvested because it was raining every day; and I had an amazing crop. In other words, experiences mean something, and they have to be used; thus, those who don't take these things into account don't get much tobacco.

[GUERRILLERO] What don't they take into account, Plasencia?

[Plasencia] What don't they take into account? Well, that tobacco should be irrigated when it needs to be irrigated. They shouldn't be looking to see what time it is or if it's light or if it's dark because when the tobacco wants water, you have to give some to it.

Because if it asks for some today and you're going to harvest tomorrow, and you hold off, you're not doing things right. And forget the idea that if the weather is good during the drying period, there's tobacco. Of course, when it's not needed, you don't do it, because that is the grower's business, based on his knowledge, his opinion.

As for the technical meeting, you have to say what Fidel said at the sixth summit [of nonaligned countries]; Agreements should not exist simply on paper. They have to be carried out by the proper parties. Let us, for our part, do what we should.

/Ramon Fuego is another producer of high yields from San Luis who will take part in the meeting. We asked him the following question: As a successful grower, can you give us your opinion about the meeting of technical standards in the farm sector?/ [in boldface]

[Ramon Fuego] I'm going to speak, rather, as an individual, and everyone can draw his own conclusions. I think that a crop where the technical standards are met and the weather isn't unfavorable isn't going to have any problem producing good tobacco. This is my opinion, because there's a fact about tobacco that you have to do what is called for at the right moment; you can't wait.

You can't overlook a single one of the standards, for one is a link in the chain. If we take it out, the chain breaks, and that's what has been happening: The chain has been breaking a lot, and our yields have declined and the quality of Vuelta Abajo tobacco isn't the same. You have to begin with the plowing because the crop starts with the breaking up of the earth; and if you start out leaving ridges, as we farmers say, the ridges will stay with you until you harvest.

So tobacco is seedbeds, plowing, planting, banking up soil, removing suckers, pinching off buds, irrigating, fertilizing, fungicides and all that, without deviating from the technical chart. Another thing: We are planting a variety that is very susceptible to disease, so that often they have to apply sinet every day, depending, of course, on the weather. In short, all the way through you have to do things according to the technical chart; and it's there: All the growers have it. Of course, the soils do vary. Not all soils are the same; but there is a method for every case. In my case, the chart applies to my land; I don't have to deviate from it.

[Plasencia] Well, it's a broad, interesting subject. I want to talk some more about sinet because without optimal application of this product /there are no wrapping leaves/ [in boldface]. This is basic. This variety is very susceptible to funguses, and the solution is in sinet. You have to apply the right amount, always looking at the weather; for if the weather is good, the applications will be every 7 days, which is normal. But if the weather is bad, you have to put it on as much as two or three times a week, for this is vital for the export leaves. And something very important: you don't apply it at the ends of the rows. No, /row by row, even if it is extra work/ [in boldface].

[Mendoza] One of the factors that will be dealt with at this technical meeting is the danger we face from blue mold. Concerning this, we should

warn all the growers in both sectors to carry out all the measures proposed and outlined at the meeting in order to protect our plantations from this fungus; for it's been found that it has a considerable effect on tobacco production, even possibly destroying a crop completely. This is one of the things that should be discussed at the meeting more seriously and in greater depth, and afterwards the resolutions agreed upon there regarding how we should combat this disease should be acted upon.

[GUERRILLERO] Why don't you tell us something about the work force, about the students, about the High-Productivity Detachments, in short. . . .

[Gutierrez] We believe that one of the basic factors in the tobacco industry for the meeting of each one of the established technical standards, and which undoubtedly has the result of obtaining large, high-quality crops, is the work force. In the state sector, the force that is primarily used is students, mobilized daily and on weekends, and the High-Productivity Detachments.

As for the latter, they've been acquiring experience and skill in their work, and they have been placed in the shade-grown tobacco areas, producing good results in the last two harvests. This is not true of the students. Although they no longer work in the shade-grown tobacco, but mainly in the sunny areas, we do believe they should be given a lot of instruction to provide the knowledge and skill they need for the job that is to be done. Some steps have already been taken, and the students going into the fields soon will be organized in brigades, and each brigade should have a guide assigned by the enterprise, who will be an agricultural worker or someone qualified in that line of work.

Because of that, and because of the organization the schools are adopting, in addition to sending more teachers and worker-instructors, we think they can do a better job in the tobacco fields. You have to bear in mind the fact that the organization will lead to greater interest in learning and better results for us.

Regarding the students, it's very important to attend the series of technical lectures provided for in the work schedule drafted by the Ministry of Agriculture. These technical lectures deal with different topics, and they will take place in stages, corresponding to the stage the crop is in.

[Plasencia] I don't want to disagree here, but once they sent me 21 students in the field. I couldn't go out to meet them, and one of the comrades who works with me went. He's a very good man and knows tobacco; but he came back and told me that he couldn't deal with them. I later went to where the boys were, and they weren't happy.

Well, I talked to them, and they complained to me about the comrade I'd sent to meet them. Then I started to personally work with them. At first, when they entered the field, some asked me if that was a tobacco grove.

"That's all I need," I said to myself; but I started in. To cut this short, we worked together for 15 days. It's true that if they irrigated at night, I was there. It was 15 days of continuous work, but I didn't leave them, I helped them with everything. And, listen, I hope they send them to me again for this crop. They learned everything, and they all worked well.

[Mena] We can't give the students the guides that they need; but when we do, they should be workers, retirees, FMC members, who know this job. They learn and work well; I'm sure of that. But now they send the field foreman 40 boys, and he can't get to them and deal with them as he should. Now, when a brigade is given a guide, you'll see how that's a different matter.

[GUERRILLERO] I want to ask a question now, and I want an answer from each of you. What do you think of the meeting and its future role as a means of restoring the traditional quality of our tobacco?

[Mendoza] I think so; I think the meeting will be a point of departure for restoring the tobacco industry's tradition. This, naturally, will begin this year. I say it will begin because this is a long-term thing, involving years, in which a lot of work is entailed and many difficulties will have to be overcome; and it will be hard.

One of them is improvement of the soil, which still needs intensive, serious work; but it can't be taken care of quickly owing to the country's economic problems.

[Plasencia] As we said before, the agreements reached at the meeting can't remain on paper. We're sure that they won't; and they won't because of the disposition of those of us who'll be there and because of all the factors affecting tobacco production. We have to come away from the meeting with the intention to carry out all the resolutions and make them reality, with all the factors contributing from now on to the achievement of our goal.

[Fuego] I think the meeting will have a good effect; for all the problems involving tobacco will be discussed there. We've been talking about tobacco for some time. Good crops have been obtained, but not consistently. The big reality is that we have to harvest tobacco with a high yield and high quality, and the only way of getting that tobacco is to do everything that's agreed upon there.

[Mena] I think that with the measures being taken now and with the agreements from the meeting, we're going to manage to solve the problems to take off, to start recovery, to begin, to reach the goal and not have to turn back ever again.

[Gutierrez] We think that with the technical standards that have already been established, and with the measures that'll be adopted at the meeting, in addition to the work schedule prepared by the Ministry of Agriculture, which lays out a series of steps to follow in the cultivation of tobacco, the meeting will serve us as a point of departure for effectively carrying out the restoration of the province's tobacco industry.

CROPDUSTERS WAGE WAR TO CONTROL RICE DISEASE

Pinar del Rio GUERRILLERO in Spanish 13 Sep 79 p 4

[Article by Arturo Bulies]

[Text] Aviation is one of humanity's most significant steps forward toward progress. On the day that man succeeded in leaving the ground through the use of technology and the overcoming of natural laws, defying gravity, a world of possibilities opened up and has been realized as each people has advanced.

Before the Revolution, aviation was used almost exclusively for passenger service, and it was deficient in many ways.

Mechanization of agriculture opened the way for the widespread use of aviation for a number of tasks that save time, increase production and are more efficiently carried out by means of aircraft than by other means.

Rice is the now classic example of what aviation can do for a crop.

The characteristics of rice cultivation favor the use of airplanes. The broad flat areas with no obstacles allow planes to descend nearly to ground level to spread seed, fumigate or fertilize.

Aviation a Basic Factor

The development of the province's rice crop, with some 3,000 caballerias of the cereal under cultivation, required the latest in technology. Never before had so much rice been planted in the province. It was a daring plan, but thanks to determination, courage, a major investment of money and an unflagging, valiant effort, today it is a reality that our province is the leading rice producer in the country. We had historic yields in the most recent cold-weather campaign, the goal for 1980 of 1,000 quintals per caballeria having been overfulfilled this last time.

Aviation has played its role--and how!--in Pinar del Rio's triumph of production.

Along with the large investments devoted to rice cultivation, landing strips enabling planes used in agriculture to take off and land were built, as were warehouses for products. A body of specialized workers had to be created; and inventions had to be developed, such as the airplane loader that supplies a craft by means of an ingenious device capable of filling the tank of a plane with a ton-and-a-half capacity in a minute. Before, it took 13 men over 10 minutes, and now only 4 do it easily.

The old loader stands at the edge of the El Caribe airfield, useless because it is obsolete, while we watch the loading of a plane that landed scarcely a minute ago; and now it is ready to fly with its load of Surcopur to continue killing weeds, like a gigantic "aerial hoe."

A Model Station

The El Caribe station of Agricultural Aviation serves the establishments of this name, Vueltabajo [as published] and Montoto, in Corsolacion del Sur. There are 850 caballerias of rice to be tended with four planes and seven pilots, which perform every agricultural task these machines can do.

In earlier months, the pilots and their planes have to wage an intensive aerial war against an enemy of rice that threatened to cause great damage, but which, thanks to the workers in the air with the support of those on the ground, did not succeed. We are speaking of the terrible sogata orizicola, an insect that is a vector for the feared "raya blanca del arroz," ["hoja blanca" or white leaf streak], which within a short time can destroy the product of months, or even years, of hard work.

During June, July and August, a great deal of effort went into combating the sogata orizicola. Passes and more passes with fungicides were made over the fields, until the enemy was driven back owing to the persistence and hard work of those who identify with agriculture as strongly as they do with the technology they employ.

Anyone would think that with the battle against the sogata finished, they would rest. Nonsense! The spring planting campaign was upon them, and then the attachments were changed, and the load was something else: seed for planting in the prepared fields. Aviation's contribution to the attainment of the seeding goal for the spring campaign was also crucial.

Now cultivation of the sown fields must continue. From the air, they are a green film broken by the winding dikes which, like gigantic snakes seen from the air, separate the fields containing the rice, which several times receives urea and other fertilizers or herbicides from the air so that it will grow to be healthy and strong.

Agricultural Aviation has progressively improved its work on the basis of experience obtained, seeking to increase productivity, as in the case of the loader mentioned earlier. Now they also "gas up"--that is, supply

fuel--by means of raised tanks that make the job easier. The group of mechanics has become so highly specialized that during the battle against the sogata, they managed to keep the planes flying double missions and to extend the 50-hour inspection interval to 100 hours without encountering problems. It should be pointed out that because aviation is so dangerous, there is no room for technical errors. Hence the great responsibility entailed in being an aircraft mechanic.

It Is Not Only Rice

It is also fodder, sugarcane, bananas and the public health department's spraying to combat mosquitoes. All this fills out Agricultural Aviation's work schedule in the province, its work being very important in the mechanization of agriculture.

There are two AAC [Cuban Agricultural Aviation] stations in the province: El Caribe, with four airfields, and La Cubana in Los Palacios, with five fields, six planes and nine pilots.

Pinar del Rio's aviation program stands first in the country's western region, and the technical-economic plan for the first semester shows it at 114 percent of its goal in value and at 119 in service to agriculture.

The El Caribe station has the best goal-meeting record in the province, and is at 162 percent for the semester, having increased productivity in flight time by 3 percent and hectares covered by 25 percent.

Although this station has fewer planes and a smaller area to cover, it contributed 38.7 percent of the work needed to fulfill the plan for the first semester; and it has the fewest unproductive hours in the country. Moreover, in comrade Jose M. Rojas, it has the semester's leading pilot in the country; he is now in the service distributing the press.

The maintenance and repair personnel have succeeded in reducing the inspection time from 3 days to a day and a half; and for this station they contributed 400 hours voluntarily during the semester.

The work of those employed by Agricultural Aviation is dangerous, highly technical, very responsible and physically and mentally demanding; but the results of their efforts are considerable compensation for the hard work of the flight and ground personnel performing this function. Without it, Cuban agriculture would not be what it is, such is the degree of mechanization that has been achieved because of the Revolution and the restorative impulse it imparted to all the country's productive activities.

9085

CEO: 3010

BRIEFS

SUPPORT FOR PUERTO RICO—Cuban Vice Foreign Minister Ricardo Alarcon has stated that the participants at the UN decolonization committee meetings devote most of their attention and time to the colonial issue of Puerto Rico. Alarcon stated that no one can now deny the fact that without Cuba or any other country asking today there are more than enough African, Asian and even Latin Americans who are taking the initiative in presenting the Puerto Rican issue. Alarcon spoke yesterday at the forum concerning the Puerto Rican situation at the United Nations—a topic that is being discussed at the symposium on Puerto Rican reality which is being held in San Juan, capital of that island. [Text] [FL170143 Havana Domestic Service in Spanish 0000 GMT 17 Nov 79 FL]

HAVANA ANNIVERSARY—With a program of activities recalling Havana's cultural traditions, the 460th anniversary commemoration of the founding of the city will begin tonight at midnight. At a press conference, Jorge Hart, member of the Provincial People's Government executive committee, and Eusebio Leal, director of the Havana Museum, supplied details on the celebration. [Excerpts] [FL151131 Havana Domestic Service in Spanish 1100 GMT 15 Nov 79 FL]

HAVANA CITY COMMEMORATION—Armando Hart Davalos, member of the PCC Politburo, and Julio Canacho Aguilera, member of the PCC secretariat, last night attended the ceremony commemorating the 460th anniversary of the founding of Havana. The event was held in the patio of the museum of the city. At the ceremony old Havana was proclaimed a national monument. [Excerpt] [FL162259 Havana Domestic Service in Spanish 2230 GMT 16 Nov 79 FL]

RAMON CASTRO'S JAMAICA TRIP—In Kingston Ramon Castro, director of the Valles de Picadura Livestock Breeding Farm, has expressed his satisfaction with the results of the trip he paid to Jamaica at the invitation of that country's government. During his stay in that island the Cuban leader toured various areas of cattle development in an exchange of experiences with officials, small farmers and agricultural and livestock workers. In a statement to PRENSA LATINA, Ramon Castro expressed his thanks for the attention shown him by the Jamaican Government and people and hailed the efforts being made by that country in developing the cattle industry. He also reiterated the close ties of friendship existing between the peoples of Cuba and Jamaica. [Text] [FL152042 Havana Domestic Service in Spanish 1926 GMT 15 Nov 79 FL]

OIL REFINERY EXPANSION—A meeting was held at Havana City's Provincial Party Committee headquarters to review the Nico Lopez Oil Refinery expansion plan. The meeting was chaired by Julio Canacho Aguilera, member of the PCC Secretariat and first party secretary in Havana City Province. During the event the participants examined the fulfillment of previous agreements and difficulties confronted in implementing them. Some decisions were reached in matters related to the progress of the project. [Text] [FL161139 Havana Domestic Service in Spanish 1100 GMT 16 Nov 79 FL]

CSO: 3010

FAPU LEADER SAYS JUNTA'S 'DEMOCRATIC FACADE' HIDES REPRESSION

LDO91619 Madrid MUNDO OBRERO in Spanish 7 Nov 79 p 8 LD

[Interview with El Savadorean United Popular Action Front (FAPU) leader Saul Villalta by C. Garcia: "Coups Is Preventive Measure by Imperialism"--date and place not specified]

[Text] [Question] What is the situation in your country following the recent events?

[Answer] The junta offered the people many things and has so far granted none of them. It adopted the political platform which the opposition was formulating with a view to achieving unity in order to present a democratic facade of real change. These promises have been greatly publicized abroad, but the continued existence of repression is not mentioned at all.

Some 36 people--and not 25, as has been said--were killed on 29 October alone. The corpses of "missing persons" have continued to be found. Some 30 of them have been counted in the Rosales hospital alone. On the day of the coup we received reports that at least seven people were killed. The disbandment of the fascist terrorist organization, the National Democratic Organization [ORDEN], was decreed, but another one--the "Death Squadron," whose formation was officially announced Saturday, 27 October--has been created. The prisoners have not been released, ORDEN continues to operate....

"Junta Is Paralyzed"

[Question] But the junta has published decrees....

[Answer] Its functioning is virtually paralyzed. Of its six decrees only the decree proclaiming martial law and the decree lifting it have functioned. The people's organizations are continuing to fight.

[Question] The press agencies said 5 days after the coup that guerrilla groups had given the government a truce. What happened?

[Answer] That was a manipulated report. Not a single revolutionary organization has entered into dialog with the government. What caused these

reports was a communique issued by the 28 February popular leagues in which they gave their support to a sector of democratic military personnel but not to the new situation. The changeover was a mere preventive measure by imperialism.

"We Will See Whom Masses Support"

[Question] The insurrectionary path requires a unitary national blueprint and considerable support from the population, as happened in Nicaragua. However, part of the opposition and the church have given the junta their support. Could this not thwart the insurrection's prospects?

[Answer] That possibility always exists. Before Romero's fall, the opposition had rallied around the "popular forum" as an alternative to the demagogic "national dialog" orchestrated by the dictatorship. Of the popular forum, the Christian Democrats and the Communist National Democratic Union have endorsed the junta's plans. The popular leagues and the trade unions (FENASTRAS) [Salvadoran Workers National Union Federation] have withdrawn from the forum, which has thus been considerably weakened.

The Social Democrats and a section of the church have also given the colonels their support. We know that the Christian Democrats and these two sectors visited the U.S. Embassy before the coup. Everything depends on the mass support which they all secure. The archbishop of San Salvador, who was visited by the junta immediately after it seized power, gave it his support, but grassroots sections of the clergy reacted immediately. Monsignor has subsequently modified his stance and speaks of qualified support.

"We Do Not Even Have Coordination in Struggle Yet"

[Question] Another essential precondition for armed triumph is the unity of the insurrectionary forces and unified political and military leadership. The disunity in this respect is considerable....

[Answer] There are many organizations, but the most significant ones are FAPU, the popular leagues and the Popular Revolutionary Bloc (BPR). We (FAPU) believe that many things are leading us toward unity. But it must be acknowledged that we have not even achieved coordination in actions yet, although talks are taking place. The positive aspect is that the talks have broken the ice. We appeal to the other organizations to take steps forward toward unity.

[LD091621] "We Are Not in Fascist State"

[Question] You are obviously separated from the communists by the fact that they do not share the insurrectionary path. What separates these three organizations which you mentioned?

[Answer] The BPR believes that the dictatorship is a quasi-fascist dictatorship and the real fascism cannot occur in an underdeveloped country such as ours. In their opinion, the landowners are the principal enemy.

The 28 February popular leagues believe that we are living in a fascist state.

Our viewpoint is that this is a dictatorship which is moving toward fascism. There are many elements characteristic of fascism--movements aimed at creating a social base, extremely tough penal legislation, laws such as the law on "respect for the country's leaders and symbols" aimed at ultranationalism, a single party, repression, and so forth. But there is also a democratic facade--organized parties and a strong popular movement. Our state is not yet a fascist state. It will become so if the revolution's triumph does not prevent it.

Moreover, we FAPU members believe that the landowners are not the principal enemy, however reactionary they may be. Control over the country and all its activities is in the hands of what used to be called the oligarchy of "the 14 families." They are involved in industry, trade, the financial system and tourism, they are landowners, and so forth.... This analysis is shared by the popular leagues.

In addition, the BPR views the trade unions as instruments of direct political struggle. We do not agree. They should be instruments of the workers, as such, and there is plurality--various currents--within the trade unions. If we involve them directly in one path, they will be weakened, as has happened with the teachers. The trade unions must be politicized, but they should not be directly political.

CSO: 3010

BRIEFS

EXILE RAPS DUVALIERIST REPRESSION--This afternoon (Gerard Pierre Charles), the Haitian political leader, held a press conference at which he explained the situation under which for over 20 years the Haitian people have been suffering and the increase in the popular struggle over the past three years. He also condemned aid provided by Yankee imperialism to the dictatorial regime. The prominent sociologist and researcher stated: [Begin (Charles) recording, speaking in Spanish] And the international press agencies reported that in Haiti on Friday 9 November a conference was being held called by the Human Rights League in Haiti. And the president of the league, a well-known professor at the law faculty in Port-au-Prince for 25 years called the people to come to hear some thoughts on human rights and the Haitian Government. This meeting brought together many people. The press stated that 6,000 people gathered at the location of the Brothers (Salecious) in Port-au-Prince. And the Tontons Macoutes disrupted the meeting, shooting and beating those attending with clubs and chairs, resulting in numerous deaths and innumerable wounded. This shows that the Duvalier dictatorship is attacking the people in an inconsiderate manner [as heard] and maintaining the old techniques of destruction and elimination which for 22 years has characterized the Duvalier dictatorship. [End recording] [Text] FL140214 Havana Domestic Television Service in Spanish 0100 GMT 14 Nov 79 FL]

CSO: 3010

PEDRO J. CHAMORRO, JR. CALLS FOR FREEDOM OF EDUCATION

PA150055 Managua LA PRENSA in Spanish 8 Nov 79 p 2 PA

[Article by Pedro J. Chamorro: "Liberating Education"]

[Text] A poor humanitarian mute once took in a baby abandoned by its parents to his small hut on a distant mountain. A dog was the only thing the mute owned. At the end of 3 years the child could bark perfectly. That was his only educational alternative.

Liberating education is that which teaches one to dissent, to hold a dialog, to defend or adopt positions chosen from a range of alternatives. It is what opens our eyes to choose our own destiny, our own personality and even our own ideology.

One must always study the pros and cons of various alternatives and must evaluate last the alternative one is going to choose, even if one knows which it is from the very beginning. Whenever there is apparently a single alternative, another one should be made up, because evaluating only one and discarding the existence of others is a frequent cause of poor decision-making. Even in the worst of situations there are always two alternatives to evaluate--doing or not doing something.

In order to have liberating education, it is essential to learn to read. That is why all Nicaraguans must engage in the task of teaching our brothers the language of education; we must teach them to read.

In many ways Nicaraguan high school education is better than that of the Americans, because the student is taught more so he can relate to the world, to history, geography, philosophy, sociology, literature and scientific theory. In the area of scientific practice we are somewhat behind due to a lack of laboratories. The problem is that very few Nicaraguans have had access to a high school education and least of all to a university education. Today we must all seek an education, but always a liberating education; that will constitute the guarantee that there will never be counterrevolution, and it will be a better guarantee than the Galile, the FAL's and even the cannons. Education must be liberating and must include dialog, alternatives, different positions. It must not be a one-way or alienating education.

The child must be taught to think for himself rather than what to think. We must seek to create the "integral man" that Msgr Miguel Obando y Bravo once referred to. We must avoid "tubism" ["tubismo"] and instead promote logical reasoning. When I speak of "tubism" versus logical reasoning, I am referring basically to memory against rational intelligence, to indoctrination versus liberating education.

CSO: 3010

GUERRILLA 'CHEPE CARRETA' KILLED BY SANDINIST POLICE

PA150255 Managua EL PUEBLO in Spanish 6 Nov 79 p 1, 8 PA

[Text] Chepe Carreta, a companion of the popular Leon guerrilla leader "Charrasca," was shot and killed Sunday in Leon. According to reports, Chepe had been drinking with two companions in a bar near the Nica theater. Chepe was carrying a 9-mm pistol and had an allegedly stolen car. After leaving the bar, the three drove past the police station half a block from the Santa Fe lumber mill. When militiamen ordered the car to stop, Carreta tried to draw his weapon but was shot with an FAL rifle.

The three militiamen are being held for questioning and the investigation office under Ramon Ramos is making a report.

According to reliable sources, "Charrasca's" group arrived in Leon at 1900 after participating in a harassment action at the San Carlos farm, where they placed a bomb. At that time the small Juan Jose Quesada school was being inaugurated.

It was revealed that "Pantalla" is under arrest and "Boca de Sapo" is wanted for questioning.

Chepe's relatives have not received an official report on the incident.

The guerrilla fighter was buried Sunday. His funeral was attended by a crowd of local residents and friends who shouted the usual slogans on these occasions. "Charrasca" spoke near the place where Chepe was killed. He said they are not counterrevolutionaries but Sandinists, and demanded punishment for the perpetrators. He did not blame the army because he knew it was the work of members of the proimperialist bourgeoisie, which has infiltrated the ranks of the Sandinist Peoples Army.

After this Charrasca asked the unit's officer of the day to order a military parade because it was the funeral of a Sandinist fighter. A squad of eight militiamen was sent.

After the funeral demonstrators carried Charrasca for two blocks.

The mother of Marvin Saavedra ("Chivo Pando") said that at the time "Carreta" was killed her son was with him. Her name is Amalia Ramirez de Saavedra, and she said the members of the group were waiting for the funeral to take place so they could report to Managua, because they are not guilty of accusations made against them.

We present this information as it was reported by those present and are waiting for the official report on the incident.

CSO: 3010

HUMBERTO ORTEGA SCORES FSLN OPPONENTS AT FONSECA FUNERAL

PA141510 Managua Radio Sandino in Spanish 2000 GMT 7 Nov 79 PA

[Speech by Humberto Ortega Saavedra, commander in chief of the Sandinist People's Army, at the funeral ceremony for Carlos Fonseca Amador in Revolution Plaza in Managua--presumably live]

[Excerpts] We have only achieved the important step of seizing political power with the arms of the people and with the Sandinist Front as the vanguard of the people. [applause] Nevertheless, we have difficult struggle before us. We still have hard wars before us. We have to wage the war against underdevelopment, the lack of culture and the lack of discipline which we see today in this great rally in support of Sandinism. We have to fight against the economic and social underdevelopment we inherited from Somoism. We are not going to overcome this underdevelopment quickly. We have to be aware of this because there are some mistaken opportunists who want to advance faster than we actually can. This only confuses our people. This only means counterrevolution.

Therefore, those who have jobs should be more aware. They should have a social and national conscience and be concerned about those who are poor and who are worse off. They should abandon the leftists' economic and unionist views and confront the people with their real historic, scientific and revolutionary vanguard--the Sandinist National Liberation Front [FSLN]. [applause] There are some irresponsible persons--we even see them here in this plaza--who dare to raise banners which were insignificant during the struggle. They dare to raise those banners alongside the glorious flag of the FSLN. That is not correct. That is opportunism! [applause]

A few days ago our Sandinist people's revolution nationalized the mines. We have learned today that provocateurs have sabotaged some of those mines by setting fire to them. However, our miners and workers have gotten the mines to operate once again. This means that in this society, the society of free men, we still have Somozists, counterrevolutionaries and extreme leftists among us who want to harm this revolution. We are already building schools, and we have learned that corrupt Somozists have begun to destroy the projects the revolution is building for its people with so much sweat

and sacrifice. This cannot continue. The people, the Sandinist Defense Committees and the youth, alongside the Sandinist People's Army and the police, must strengthen their vigilance to crush these counterrevolutionaries. They will be eradicated from our fatherland with the firm Sandinist fist. [applause] Only with organized and disciplined people can we achieve the organization we need to carry out the revolution and crush the counterrevolution. Therefore, the duty of the children of Sandino and Fonseca is to increase discipline and strengthen our organization so we can conduct our revolution and firmly crush those counterrevolutionary cockroaches who want to harm this liberation process. [applause]

Some Central American reactionary sectors are trying to frighten us. Some Somozists have been provoking conflicts on the Honduran border which can only harm those who are promoting those conflicts. We do not provoke conflicts but we do not fear any aggression because our people have always replied with strong morale and with arms against our aggressors. [applause] We should be truly organized to confront domestic difficulties and the aggressions of the most reactionary sectors abroad. Only by being organized and by having a truly national and social conscience which is not selfish or individualistic can we carry out the revolution and realize the dreams of Sandino and Carlos Fonseca.

Some people in various ministries want to give themselves high salaries when there are thousands who are not earning one penny due to the effects of Somozism. [applause] We have confidence in our people's conscience and sacrifice. We have already spoken about the payment of the 13th month. Regarding government workers, we want to state that those who earn high salaries will be the ones affected. Those who earn low salaries will continue to receive the 13th month. [applause] We are going to indicate what the top government wages will be. As for private enterprise workers, they will have to be paid their 13th month. [applause] But we want to make a commitment here in front of the remains of chief of the revolution Carlos Fonseca Amador. Some of our people and workers have already promised to turn over their 13th month to a special government fund to help those who are unemployed, who do not have one penny and who do not earn a single month of wage. [applause]

We have to be aware that this process is difficult, that it is filled with delays, difficulties and pressures from reaction and that it lacks culture. We have to learn so we can transform our structures and so our country's wealth can be enjoyed by our people. In this way, the children who are not happy today will be happy in the future society of free men of Sandino and Fonseca. Long live Carlos Fonseca! Long live Sandino! Free fatherland or death!

CSO: 3010

SOMOZIST ALEJANDRO ARGUELLO'S RANCH SEIZED BY INRA

PA150225 Managua Radio Sandino in Spanish 1800 GMT 14 Nov 79 PA

[Text] The attorney general's office has issued a confiscation decree for the San Andres ranch, which belonged to Somozist exploiter Alejandro Arguello Montiel. The ranch is located in Belen, Rivas Department. The 800-manzana ranch is today managed by the Nicaraguan Agrarian Reform Institute [INRA].

The attorney general's office, according to decree 3 of 20 July 1979, confiscated 127 shares out of the 130 backing the property and which were owned by Arguello Montiel. It ordered him to turn over to the INRA all matters pertaining to this concern.

On one occasion workers and people of Belen gathered in the town plaza and demanded confiscation of the ranch because Arguello Montiel had always been a Somozist, as was proved in court.

The workers of San Andres sugar mill sent the attorney general's office a letter signed by a large number of persons demanding confiscation of the property and saying Alejandro Arguello, known as "The Henchman," had always been a leading Somozist. It also advised the Sandinist National Liberation Front National Directorate not to allow itself to be deceived by maneuvers by some of Arguello's relatives who tried to foil revolutionary justice denying the truth about the number of shares owned by Arguello.

The evidence presented by Rivas INRA officials to the attorney general's office is in the form of a letter sent by Alejandro Arguello to Julio Quintana, former foreign minister of the Somoza regime and creator of the "black code." In the letter Arguello congratulates Quintana on his appointment and emphasizes that he was always a liberal and a Somozist and would continue to be.

A peasant companera who worked for Arguello for 30 years said that during the first years she worked for Arguello she was paid 25 cents a day.

CSO: 3010

BRIEFS

PUNISHMENT OF ABORTIONISTS--The police will deal harshly with midwives who carry out abortions. The police are investigating abortion cases. One midwife is under arrest. Companero Mario Flores [not further identified] has the following information on the subject: [Begin recording] We are taking the necessary measures in these cases. There are cases in which abortion is justified, for example, when the wife and husband know the infant might have a defect. There may be cases in which the woman has a venereal disease. In such cases abortion is justified before the embryo is 2 months old. Persons who commit crimes, such as in the case we are presently investigating, will be severely punished. They are primarily midwives who treat these young women, who are completely misguided or from a very low-income group, in inhumane conditions. The midwives will be severely punished, and we invite the Sandinist Defense Committees and health officials to contribute to the prevention of these cases. [End recording] [Text] [PA141504 Managua Radio Sandino in Spanish 1800 GMT 8 Nov 79 PA]

CONCERN ABOUT 'BRAIN DRAIN'--Some papers have been stressing our urgent need to stop the "brain drain" so the revolution can develop along more scientific paths. Curiously, whenever there has been any talk about recovering the "brains," the reference has always been exclusively in connection with technical cadres, particularly administrators. We do not deny there is really such a need, but we believe that if the revolution--with a capital "R"--is to develop, we must recover the revolutionary "brains" as well; those who were formed during our people's struggle against all forms of exploitation. We must recover those which are our people's best and which, due to their political and ideological clarity, represent the proletarian's most distinguished cadres. That is why we cannot remain quiet while dozens of revolutionaries, tested in the struggle against Somoism and in their militancy on the side of the cause of the oppressed, the exploited and the voiceless, remain in the jail without charges. They are technical revolutionary "brains," experts in the organization of the masses, a fundamental condition if the most advanced sector of our society is to gradually share power. This is an essential task of any revolution seeking to reach socialism. In order for the revolution to develop, we demand the release of all revolutionary prisoners. [Text] [PA150111 Managua EL PUEBLO in Spanish 6 Nov 79 p 2 PA]

COLOMBIAN YOUTH CONFERENCE DELEGATE--Companero Irving Larios has returned to Nicaragua after attending the Congress of Colombian Youth in Colombia. The congress dealt with democratic liberty and human rights. Companero Larios went to Colombia to represent the 19 July Sandinist Youth and was invited by the National Committee of Colombian Youth. During an interview he said the congress was represented by 46 countries which offered all types of assistance to the youths. Referring to Nicaragua's position, he noted it is a position of unity and anti-imperialism which should be maintained by all countries to achieve victory. [Text] PA141609 Managua Radio Sandino in Spanish 1800 GMT 9 Nov 79 PA]

'EL PUEBLO' ATTITUDE 'SUSPICIOUS'--Roberto Sanchez, official in charge of information and public relations [of the Sandinist People's Army], this morning, told staff from the newspaper EL PUEBLO their attitude is very suspicious because they devoted more space in their newspaper to Chepe Carreta than to the top leader of our revolution. As all residents of Leon know, Chepe Carreta exploited the sympathy with which he was regarded in the metropolitan area following the triumph of our revolution to commit criminal acts. Chepe Carreta was killed in a bar in Leon after escaping from jail. However the army cannot be held responsible for this since it had nothing to do with it, Companero Sanchez said. That is why, he said, we consider suspicious the attitude of EL PUEBLO newsmen who, knowing what Chepe Carreta had done and said, have devoted so much time to writing lies at a time when tribute is being paid to Carlos Fonseca Amador, top leader of our revolution. [Excerpt] [PA141457 Managua Radio Sandino in Spanish 1800 GMT 8 Nov 79 PA]

LEON GENERAL STAFF REORGANIZATION--Leon--The Leon General Staff has been reorganized and some of its members held a news conference for local reporters. Companera Maria Lourdes Jiron, acting as moderator, introduced the new chief of the Western Area, Manuel Salvatierra. Salvatierra pointed out that he has not been actively participating with the FSLN for very long; he was active, however, in actions at Diria, Diriomo, Di-lamba, Jinotepe, San Marcos and other places on the southeastern front. Prior to his transfer to Leon, he was working in the operations section in Managua. He replaces Dora Maria Tellez, who has been reassigned to an important post with the revolutionary cadres. Salvatierra also announced that the other members of the FSLN departmental committee included Maria Lourdes Jiron and Sergio Zapata, as delegate to the mass organizations and secretary of the CST; Rafael Mairana, responsible for propaganda and political education; Mauricio Valenzuela, director of INRA in addition to responsibilities on the staff, and Leticia Herrera. [Excerpts] [PA150324 Managua LA PRENSA in Spanish 10 Nov 79 p 10 PA]

MILITIA OFFICER ARRESTED--Guillermo (Maciz) Ricarte, regional militia officer, is under arrest for abusing his authority, including abuses against his own army companeros. Companero Luis Martinez, acting army attorney, said Maciz, regional militia officer, stationed in Tipitapa, was arrested by the attorney's office pending investigation of many complaints by town-people. Army personnel were also abused by Maciz, who since the middle of

August, taking advantage of the fact that there was no organization to regulate the behavior of the military, had committed a number of abuses. However, complaints were made by many persons and Maciz was placed under arrest. No army officer can abuse his position and offend his companeros. He must be an example to the people, Luis Martinez said. Many persons involved with Maciz have pressured the people of Tipitapa to protest the arrest and a demonstration was held at the army attorney's office, but on that occasion a committee was appointed to speak to the army attorney, who explained the situation. All Nicaraguans can be sure that when our army arrests someone it is because that person has committed a crime or has evidence of a crime. This is why we must not participate in demonstrations promoted by persons who want to destroy the revolutionary process. Tomorrow we shall give a detailed report of the abuses committed by Maciz, and the people will approve our army's attitude. No one with a revolutionary awareness can support anyone who abuses even his own companeros. [Text] [PA150157 Managua Radio Sandino in Spanish 1800 GMT 14 Nov 79 PA]

MISSING OFFICER FOUND DEAD--Managua AFP--The wave of attacks against the members of the new Sandinist government reveal increasing terrorist activity in Nicaragua which no one here doubts can be attributed to Somozist elements. The bullet-riddled body of Manuel Pernudi, officer of the State Security Office, who had disappeared a few days ago, was found today in the morgue. [Text] [PA141247 Bogota Cadena Radial Super in Spanish 1100 GMT 14 Nov 79 PA]

GOVERNMENT SEIZES FARMS--The Chontales departmental prosecuting office has seized thousands of manzanas of idle land which belonged to the man formerly called "Maximum Leader" of the Nicaraguan opposition. These manzanas were turned over to the Nicaraguan Agrarian Reform Institute. Reports received from that area reveal the farms near Lake Nicaragua owned by Fernando Aguero Rocha, were seized because they were not being duly used by their owner. The farms in question are: El Riito and La Estrella. It was reported the state will run them in order to increase production for the benefit of the workers who gave their lives for many years without expecting anything more than the demagogic phrases of the Conservative Party leader who is watching the events from somewhere in the United States together with his Somozist "enemies." [Text] [PA151228 Managua EL PUEBLO in Spanish 9 Nov 79 p 1 PA]

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